

SPAA Change Proposal Form

This form should be used by SPAA Parties who wish raise a draft or a formal Change Proposal.

Originators - Please complete this form and submit to spaachanges@electralink.co.uk. The CP will be issued in the next available Change Pack or to the relevant group in SPAA.

Document Control	
CP Status:	Final
For Issue To:	Change Pack
CP Number*:	CP 12/217
Title of Change:	Creation of Small and Large Supplier Constituencies
Version Number:	V1.0
Change Pack Ref*:	July 2012
Attachments:	Legal drafting – Main Body SPAA Agreement

* Assigned by SPAA Change Control Administrator

Originator details	
Party Name	SSE
Party Change Administrator:	Martin Brandt on behalf of I&C Shippers and Suppliers (ICOSS)
Constituency:	Large Domestic Supplier
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CP Details	
SPAA Parties believed to be impacted:	Large Suppliers / Small Suppliers / Large Transporters / Small Transporters
Proposal to Change:	Main Body SPAA Agreement – clauses 1, 7.17, 7.22 and 9.14
Summary of Change:	CP 12/217 seeks to create 2 categories of supplier businesses i.e. large and small suppliers, making supplier voting reflective of the market, whilst still allowing changes to be targeted to the appropriate sector - domestic, non-domestic or both sectors.

<p>Impact on User Pays:</p> <p><i>A Rough Order of Magnitude (ROM) can be requested when a CP impact a system and/or process operated by The Large Transporter's Agency.</i></p> <p><i>See the SPAA Change Guideline and Section 4.8 of the SPAA for further information</i></p>	<p>No impact anticipated as this is only a minor change to the voting process in SPAA.</p>
<p>Related CPs:</p> <p><i>Please indicate if this CP is related to or impacts any other CP already in the SPAA or other industry Change Process</i></p>	<p>12/209</p>

Proposed Solution:

- Creation of two supplier voting constituencies. Small Supplier and Big Supplier replicating current process in the transporter market.
- All changes are still classified as either affecting domestic or non-domestic markets, or both.
- However all suppliers sit in two constituencies:
- Large Suppliers ($\geq 250,000$ meters points supplied across all sectors).
- Small Supplier ($< 250,000$ meter points supplied across all sectors)
- All suppliers still get a percentage vote based on the number of meter points they supply. The number of votes a Supplier gets depend on whether the change impacts the domestic, non-domestic or both sectors. So a change that impacts only the domestic sector will only count domestic meter points (so non-domestic only suppliers would have no votes), and non-domestic only will only count non-domestic meter points. The voting constituencies remains fixed, so the big six would still vote in the Large Supplier constituency, even if they are voting on a non-domestic only change. The 20% cap would remain.
- All other processes are maintained as current, so escalation process, EC elections, etc.

Proposed Implementation Technique:

Big bang

Proposed Implementation Date:

November 2012

Business Justification for change:

Undertaking these changes will allow supplier voting to be reflective of the market, in that there are two distinct types of supplier – mass market using bulk processes and niche market using bespoke processes. This change will therefore allow both types of supplier an appropriate say in changes to the market, whilst still allowing changes to be targeted to the appropriate sector. This will limit administrative costs to all SPAA parties, ensure that market sectors can develop changes without impacting other sectors unduly and ultimately help develop the SPAA regime as intended

How will the CP facilitate the SPAA relevant objectives:

Refer to Standard Condition 30, 30.6 of the Gas Suppliers License

(a) the development, maintenance and operation of an efficient, coordinated and economical change of supplier process; We foresee no impact on the change of supplier process.

(b) the furtherance of effective competition between Gas Suppliers and between relevant agents; We do not believe that this modification will facilitate this relevant objective.

(c) the promotion of efficiency in the implementation and administration of the supply point administration arrangements; Creating two constituencies that represents the reality of the market will allow constituency members to have a clear voice on any changes. This will ensure that changes will be progressed will be less likely to be subject to appeal or challenge. These changes therefore facilitate this relevant objective.

(d) so far as is consistent with sub-paragraphs (a), (b) and (c), the efficient discharge of the licensee's obligations under this licence. We do not believe that this modification will facilitate this relevant objective

Authority Consent Required:

Please note the reason Authority Consent is/is not required.

See the SPAA Change Guideline and Section 9 of the SPAA for further information on the Authority Consent Process.

Yes - The requirements set out in CP 12/217 do have a material effect against Clause 9 of SPAA

Development Workgroup

For any change proposal that requires Authority Consent, the change guidelines encourage the proposer to refer the Cp directly to a Workgroup for development and consideration of relevant alternatives.

Yes – the intent of CP 12/219 and the associated legal drafting have been discussed, reviewed and amended by the SPAA Expert Group prior to formal submission.